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Approp Budget

15 JUL 1965

MEMORANDUM FOR: Executive Director-Comptroller

**THROUGH : Director of Budget, Program Analysis, and
Manpower**

**SUBJECT : Support Directorate Economy Report, January -
June 1965**

1. In our last economy report dated 5 January 1965 covering the period September - December 1964, it was noted that it would be unlikely that major savings in dollars or in manpower could be expected for the next reporting period. This prediction has proved to be an accurate one although significant actions undertaken in all of the Support Directorate offices as indicated in previous reports continue to produce economies in both dollars and in manpower savings. In the following paragraphs new economy measures instituted during this reporting period are discussed.

2. Office of Medical Services

The Annual and Executive Examination Program continued its planned development. Some 196 individuals in these categories were examined in the past six months. It is difficult to estimate the costs absorbed. Probably somewhere between \$15,000 and \$30,000 would be reasonable.

A Psychiatric Panel, composed of four eminent psychiatrists from private practice was established for the purpose of assisting our Psychiatric Program on a continuing basis. Three meetings of the Panel have been held and some \$4,375 from other funds was devoted to initiating this important project.

Two WAE psychometrists have been used in lieu of one full time staff psychometrist to administer and score the various test batteries given by our Assessment and Evaluation Staff.

3. Office of Communications

An automatic message switching center that was placed in operation in [redacted] allowed the expeditious handling of a

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volume [REDACTED]

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six-month period, without a personnel increase. An additional 15-20 people at a six-month cost of about \$180,000 would have been required at this station to handle this workload increase, at a slower speed of service rate than possible with the automatic switch.

The working area of the Engineering Test and Inspection Section was renovated and reconfigured for greater efficiency. As a result, productivity has increased by about 10 per cent or almost three man-years and has proven beneficial in aiding this section to meet presently expanded workloads.

A new crystal plating process was developed and implemented. The productivity of the small group involved in the whole crystal processing function was increased by the equivalent of one-half a man-year.

An extensive review of the requirements and equipment configuration was conducted, leading to a reduction in the square footage required in a new radio receiver station. Construction costs were reduced by about \$150,000 below earlier estimates for the larger structure.

An improved procedure was implemented for cross referencing manufacturers' parts numbers of communications equipment to Federal agency stock numbers. Total productivity of all communications supply people will be increased by this new process. The productivity increase will be equivalent to about two man-years.

The rearrangement of circuitry in the Washington Headquarters' Signal Center resulted in the reduction of log entries and made savings equivalent to about three-quarters of a man-year.

4. Office of Personnel

During the last half of Fiscal Year 1965 the Office of Personnel has through improved management techniques expanded its services to the Agency without increased costs. Listed below are the activities that fall in this category:

a. Retiree Placement Service - A Retiree Placement Service was established to assist those employees who are retiring from the Agency in finding other employment. This service was established within the authorized staffing complement of the Personnel Recruitment Division which has been redesignated Recruitment and Retiree Placement Division. Realignment of the geographic areas serviced by field and combining

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professional, technical, and clerical recruitment functions where feasible and their use in the Retiree Placement Service have both helped in providing this service without an increase in personnel.

b. CIA Retirement Staff - We were authorized an increase of only two positions against a minimum requirement for five positions for the substantial job of installing and implementing this program. The additional requirement has been met within existing ceiling. (However, adjustment may yet be required before the program has been established and is operating at a stabilized level with a smaller staff.)

c. Applicant Processing of Contract Employees - The Placement Branch has recently taken on the responsibility for the pre-employment processing of contract employees. This has lightened the workload somewhat of such components as [] and will provide for more efficient handling of this type of applicant. The processing includes preparation of correspondence, arranging for assessment and evaluation tests, arranging for field interviews, and making all the arrangements for the medical examinations and security interviews.

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Additionally, the Central Processing Branch is now handling the payment of invitee travel reimbursement for these contract employees the same as we have been doing in the past for staff-type applicants.

5. Office of Finance

The basic form used for performing surveys of internal controls and accounting practices of contractors was redesigned. A new 9 page form supplants a 23 page DOD form previously used and is better suited to the scope of survey performed by the Agency in connection with small contractors; has resulted in significant tangible and intangible savings; and has served as an aid in the training of junior accountants in the important techniques of performing such surveys.

A methods and procedure study of the Registry Unit has resulted in the initiation of revised procedures and the development of more efficient methods for handling an expanding workload. As a result there has been a general realignment of functions; a rearrangement of the physical layout and flow of documents; a change in the method of filing documents; elimination of approximately 80 per cent of the posting activity in the maintenance of logs; and revision of the different abstract forms used for document control to simplify preparation and more closely suit the needs of this office. These improvements have reduced processing

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time by approximately one man-year permitting the transfer of one man to another division, the reduction of backlogs, and an upgrading of services rendered.



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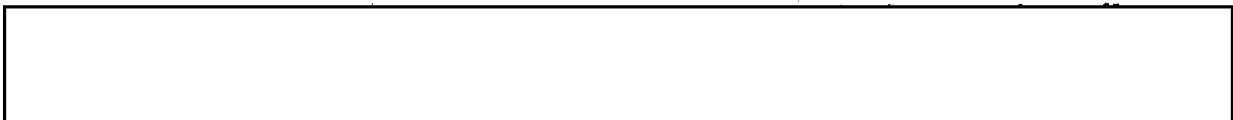


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A revised procedure was inaugurated for the distribution of Statements of Advance Accounts involving advances to Agency personnel. Such procedure provides for the issuance of statements at the end of each month for those accounts having open balances in contrast to issuing them at the time of each new transaction. The new procedure effected (1) savings of approximately \$1,000 of computer time cost per month, (2) a decrease of paper handling for all components involved, and (3) improved policing of employee accountability.

6. Office of Logistics

Consolidated TVAs were reduced by 51 vehicles which will eventually result in a savings of \$76,500 in vehicle replacement costs. In addition, 120 transportation allowances were issued in lieu of vehicle replacements representing estimated savings of \$24,000 (\$400 per vehicle per year).



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Cost reduction through acquisition of excess property from other Government agencies amounted to approximately \$2,970,000. This cost reduction resulted in a potential reduction of that amount of funds required in the Agency stock accounts.

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The Xerox Company will now sell its machine rather than merely renting. Since rental cost is based on usage, we reviewed the use of these machines and concluded that savings could be realized by purchasing ten of the machines in use. These machines will be amortized in approximately two and one-half years. After amortization, we will realize an estimated savings of \$65,000 per year for a period of seven years.

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7. Office of Security



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A modified method of reporting the results of investigations in certain types of cases has resulted in a reduction in clerical processing time by at least 60 per cent where the abbreviated reporting format is applicable. Agent reporting time is reduced by at least 70 per cent and supervisory review time is reduced by a like amount. This procedure has been in effect for only two and one-half months and although the backlog has considerably decreased and agent production has increased, it is still too early to calculate the dollar savings achieved.

Field training of employees in safe and lock maintenance has produced intangible savings through the capability of field stations to maintain equipment without requiring Headquarters support. Savings cannot be accurately measured.

Through the use of "Conserva File" equipment it is estimated that savings to the amount of \$3,193.61 have been effected. This represents the difference between the cost of this equipment as opposed to 14 safe cabinets and 3 card files which would have been needed for the same volume of records. The use of this equipment has gained approximately 90 square feet of floor space which can be utilized for other presently crowded activities, thus resulting in increased efficiency and productivity.

Overtime payments to GSA guards during this reporting period were reduced by \$10,000 through more careful supervision and more effective utilization of the on-duty force.

Technical equipment (polygraph equipment, tape recorders, and special purpose equipment) has been repaired in house at an estimated savings of \$8,300.

Special technical support equipment was designed and fabricated in house at a cost of \$500. The equipment, if purchased, would have cost \$1,700. This resulted in an estimated savings of \$1,200.

Two special studies were prepared in house for the USIB Research and Development Committee instead of contracting for this work. No savings estimate is available.

The practice of combining travel where possible to consolidate security surveys, special security inspection trips, and pouch security investigations continues. Specific savings cannot be identified, however, savings have been used for necessary travel not included in the budget.



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Personnel from the Building Security Branch have been trained in the maintenance of lock and safe equipment and the work done during this period is estimated to have saved \$20,000 over costs if commercially contracted.

Use of the new Personal History Statement, Form 444, has resulted in a savings of about \$1,200 through the elimination of the necessity for additional typing to extract biographic data.

Conversion of a 4,000 file, 13 safe filing system to a terminal digit filing system will reduce clerical effort at about \$1,150 per year.

Two additional polygraph projects were taken on without a T/O increase which when translated into dollar savings amounts to approximately \$3,000.

A number of areas within the Office of Security assumed increased productivity without the addition of manpower.

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Cross training employees in the Interrogation Research Division has permitted the elimination of a technician GS-9 position with a resultant approximate savings of \$4,500.

8. Records Administration Staff

A renewed and concerted effort was made during the reporting period to reduce the volume of retained records and eliminate unnecessary filing equipment. This effort was highly successful and has resulted in an indeterminate savings to the Agency resulting from reducing the need for additional equipment, the recovery of valuable floor space, and the increased efficiency in the management of files.

9. We have listed on the attachment a summary of the estimated savings in dollars and man-years accomplished during this reporting period.

SIGNED R. L. Bannerman

**R. L. Bannerman
Deputy Director
for Support**

Attachment:

Summary of Estimated Savings

DSPA-DD/S:FHM:fmf (9 Jul 65)

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